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Honorable Timothy W. Dore  
Chapter 7

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

In re:

WIRELESS ADVOCATES, LLC

Debtor.

VIRGINIA BURDETTE Trustee of the  
Bankruptcy Estate of Wireless Advocates, LLC,

Plaintiff,

v.

BRIGHTPOINT NORTH AMERICA, L.P.,

Defendant.

Case No. 23-10117-TWD

Adv. Proc. No.

**COMPLAINT TO AVOID AND  
RECOVER PREFERENTIAL  
TRANSFERS PURSUANT TO 11 U.S.C.  
§§ 547 AND 550 AND TO DISALLOW  
CLAIMS PURSUANT TO 11 U.S.C. § 502**

**I. INTRODUCTION**

Virginia Burdette, chapter 7 trustee (the “Trustee”) for the bankruptcy estate (the “Estate”) of Wireless Advocates, LLC (the “Debtor”), files this Complaint to Avoid and Recover Preferential and Fraudulent Transfers Pursuant to 11 U.S.C. §§ 547 and 550 and to Disallow Claims Pursuant to 11 U.S.C. § 502(d) (the “Complaint”). In support of this Complaint, Plaintiff alleges as follows:

COMPLAINT TO AVOID AND RECOVER  
PREFERENTIAL TRANSFERS - 1  
509008016.6

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## II. JURISDICTION AND VENUE

1. On January 23, 2023 (the “Petition Date”), certain petitioning creditors filed an involuntary bankruptcy petition against the Debtor under chapter 7 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Western District of Washington (“Bankruptcy Court”), thereby commencing Case No. 23-10117-TWD (the “Bankruptcy Case”).

2. On February 27, 2023, the Bankruptcy Court entered an order for relief [Dkt. No. 91] and Virginia Burdette (the “Trustee”) was appointed as the trustee of the Debtor’s estate pursuant to Section 701 of the Bankruptcy Code. *See* Dkt. No. 92.

3. This adversary proceeding arises out of and relates to the Bankruptcy Case and is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter final orders for matters contained herein.

4. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157(a) and 1334(b).

5. Venue is proper in the Western District of Washington pursuant to 28 U.S.C. § 1409(a).

6. The statutory and legal predicates for the relief sought herein are Sections 502, 547, and 550 of the Bankruptcy Code and Rules 3007 and 7001 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

7. Plaintiff states that she consents to the entry of final orders and judgments by the court if it is determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

## III. PARTIES

8. The Trustee, as the chapter 7 trustee of the Debtor’s bankruptcy estate, has the right and power to prosecute chapter 5 avoidance action claims on behalf of the Debtor’s bankruptcy

1 estate.

2 9. Brightpoint North America, L.P. (“Defendant”) is a prepetition creditor and contract  
3 counterparty of the Debtor.

4 10. Defendant may be served with a copy of the Summons and Complaint pursuant to  
5 Fed. R. Bankr. P. 7004.

#### 6 IV. FACTUAL BACKGROUND

7 11. The Debtor was a provider of wireless products and services both online and in retail  
8 locations. The Debtor’s business included selling phones and services for AT&T, T-Mobile, and  
9 Verizon via kiosks in retail locations, such as Costco, and on military bases at various locations  
10 across the country.

11 12. Prior to the Petition Date, on December 5, 2022, the CEO of Wireless Advocates,  
12 LLC, Dan Brettler, announced that the company would shutter its sales operations in its retail kiosks  
13 and that approximately 1,800 kiosk employees were terminated effective immediately.

14 13. On December 6, 2022, Wireless Advocates, LLC, executed an assignment for the  
15 benefit of creditors, assigning its assets to the Stapleton Group, Inc., as assignee. On December 7,  
16 2022, Wireless Advocates, LLC filed a petition to appoint a receiver for the benefit of creditors  
17 pursuant to RCW 7.08.030 in King County Superior Court.

18 14. On January 23, 2023, certain petitioning creditors of the Debtor filed an involuntary  
19 bankruptcy petition against the Debtor under chapter 7 of the Bankruptcy Code, commencing this  
20 Bankruptcy Case.

21 15. Defendant Brightpoint North America L.P. is a company that provides supply chain  
22 solutions for the wireless technology industry. Defendant provided supply chain services to the  
23 Debtor in the ordinary course of the Debtor’s business.

24 16. During the ninety days before the Petition Date, the Debtor made multiple transfers of  
25 its interest in property to Defendant. The Debtor made the following payments to Defendant by  
26

1 check (collectively, the “Transfers”): (i) \$440,859.00 on or about November 15, 2022; (ii)  
2 \$304,801.55 on or about November 21, 2022; and (iii) \$56,390.31 on or about November 28, 2022.

3 17. The Transfers were made from one or more of Debtor’s bank accounts and include,  
4 but are not limited to, the payments identified in Exhibit A to this Complaint.

5 18. Prior to filing the Complaint, Plaintiff sent a letter to Defendant demanding that it  
6 return the Transfers or provide information substantiating any defenses it might have, including  
7 under 11 U.S.C. § 547(c).

8 19. To date, Defendant has failed to return the Transfers or provide evidence establishing  
9 a complete defense to the avoidable transfers described herein.

10 20. Plaintiff, prior to filing this Complaint reviewed the Debtor’s books and records  
11 available to her, the filed proofs of claim, and considered the Defendant’s potential defenses,  
12 including under 11 U.S.C. § 547(c).

13 **V. FIRST CAUSE OF ACTION**  
14 **(Avoidance of Preferential Transfers Pursuant to 11 U.S.C. § 547)**

15 21. Plaintiff hereby incorporates all previous allegations as though fully set forth herein,  
16 to the extent they are not inconsistent with allegations contained in this First Cause of Action.

17 22. The Transfers were of an interest in Plaintiff’s property.

18 23. The Transfers were made to or for the benefit of the Defendant.

19 24. The Transfers, or a portion thereof, were made on account of antecedent debts owed  
20 by Plaintiff to Defendant before the Transfers were made.

21 25. The Transfers were made while Plaintiff was insolvent, such insolvency being  
22 presumed pursuant to 11 U.S.C. § 547(f).

23 26. The Transfers were made within ninety days before the Petition Date.

24 27. The Debtor’s Summary of Assets and Liabilities for Non-Individuals at Dkt. No. 158  
25 shows that, as of the Petition Date, the Debtor’s exceeded the Debtor’s assets. Accordingly, the  
26 Transfers enabled Defendant to receive more than it would have received in a chapter 7 case had the

1 transfer not been made and had the Defendant received payment of the debt to the extent allowed by  
2 the Bankruptcy Code.

3 28. Based upon the foregoing, the Transfers are avoidable pursuant to 11 U.S.C. § 547(b).

4 29. Defendant was the initial transferee of the Transfers.

5 30. Defendant was the entity for whose benefit the Transfers were made.

6 31. Based upon the foregoing, Plaintiff is entitled to recover the Transfers or their value  
7 from Defendant pursuant to 11 U.S.C. § 550(a).

8 **VI. SECOND CAUSE OF ACTION**  
9 **(Recovery of Avoided Transfers – 11 U.S.C. § 550)**

10 32. Plaintiff hereby incorporates all preceding paragraphs as if fully re-alleged herein, to  
11 the extent they are not inconsistent with allegations contained in this Second Cause of Action.

12 33. Plaintiff is entitled to avoid the Transfers pursuant to Section 547(b) of the  
13 Bankruptcy Code and Section 548 of the Bankruptcy Code.

14 34. Defendants were the initial transferees of the Transfers or the immediate or mediate  
15 transferee of such initial transferee or the person for whose benefit the Transfers were made.

16 35. Pursuant to Section 550(a) of the Bankruptcy Code, Plaintiff is entitled to recover  
17 from Defendant the Transfers or a portion thereof after accounting for the refund paid by the Debtor.

18 **VII. THIRD CAUSE OF ACTION**  
19 **(Disallowance of all Claims – 11 U.S.C. § 502(d) and (j))**

20 36. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein, to the  
21 extent they are not inconsistent with allegations contained in this Third Cause of Action.

22 37. Defendant is a transferee of transfers avoidable under Sections 547 and/or 548 of the  
23 Bankruptcy Code, which property is recoverable under Section 550 of the Bankruptcy Code.

24 38. Defendant has not paid the amount of the avoidable transfer(s) or turned over such  
25 property, for which Defendant is liable under Section 550 of the Bankruptcy Code.  
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1           39. Pursuant to Section 502(d) of the Bankruptcy Code, any and all Claims of Defendant  
2 and/or their assignee, against the Debtor's bankruptcy estate must be disallowed until such time as  
3 Defendant pays to Plaintiff an amount equal to the aggregate amount of the avoidable transfer(s).

4                                   **VIII. RESERVATION OF RIGHTS**

5           40. The Complaint is intended to seek recovery of all transfers avoidable under chapter 5  
6 of the Bankruptcy Code, including any payments received during the applicable preference period  
7 not specifically identified in the Complaint. Plaintiff reserves the right to amend this Complaint if  
8 additional claims are revealed during discovery, including, but not limited to, any claims arising  
9 under chapter 5 of the Bankruptcy Code.

10                                  **IX. PRAYER FOR RELIEF**

11           **WHEREFORE**, Plaintiff respectfully requests that this Court enter an order and judgment in  
12 favor of the Plaintiff as follows:

- 13           A. Judgment that the Transfers are avoidable pursuant to 11 U.S.C. § 547(b);
- 14           B. Judgment that Plaintiff is entitled to recover the Transfers or their value pursuant to 11  
15           U.S.C. § 550 in an amount equal to the Transfers, plus all interest, costs, and attorneys'  
16           fees allowed by law;
- 17           C. Disallowance of any claim filed by Defendant pursuant to 11 U.S.C. § 502(d) until such  
18           time that Defendant returns any avoided Transfers;
- 19           D. Leave to amend this pleading to conform to evidence during the course of litigation  
20           and/or the evidence at trial; and
- 21           E. Such further relief that the court deems necessary and proper.
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DATED this February 25, 2025

Respectfully submitted,

K&L GATES LLP

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*Attorneys for Virginia Burdette, Chapter 7 Trustee*

**Exhibit A**

<u>Date</u>	<u>Amount</u>	<u>Payee</u>	<u>Type</u>	<u>Description</u>	<u>Bank</u>	<u>Account</u>
11/15/2022	\$440,859.00	Brightpoint North America LP	Check	9577 8315582024	US Bank	x3340
11/21/2022	\$304,801.55	Brightpoint North America LP	Check	9601 8014833738	US Bank	x3340
11/28/2022	\$56,390.31	Brightpoint North America LP	Check	9625 8013718411	US Bank	x3340